

Message Text

CONFIDENTIAL

PAGE 01 STATE 028402
ORIGIN COME-00

INFO OCT-01 ARA-06 ISO-00 EB-08 /015 R

DRAFTED BY COM/BIC/OED/MEPD/TJASPER/CF
APPROVED BY EB/OCA/CM/JJREILLY
COM/BIC/OED/MEPD/JRHEAGEN
COM/BIC/OIM/JBLOW (INFO)
STATE/ARA/BR/TSHUGART (PHONE)
ARA/ECP/KRICHARDSON (INFO)

-----082329Z 102239 /70

P 082203Z FEB 77

FM SECSTATE WASHDC

TO AMEMBASSY BRASILIA PRIORITY

INFO AMCONSUL SAO PAULO PRIORITY

AMCONSUL RIO DE JANEIRO PRIORITY

C O N F I D E N T I A L STATE 028402

E.O. 11652: GDS

TAGS: BENC, BR

SUBJECT: MAJOR PROJECT: UEC'S NEGOTIATIONS AT CSN

1. USS ENGINEERS AND CONSULTANTS (UEC) HAS ASKED
COM/MEPD FOR INFORMATION CONCERNING GOB FEELINGS TOWARD
THEIR CONTINUING AS CONSULTANT AT CSN. AT THE PRESENT
TIME UEC IS NEGOTIATING AN EXTENTION OF THIS CONTRACT.

2. AS POST AWARE, UEC HAS BEEN CSN'S CONSULTANT FOR
SEVEN YEARS MAINTAINING A MORE OR LESS EXCLUSIVE POSITION
UNTIL NIPPON STEEL WAS HIRED TO PROVIDE TECHNICAL
ASSISTANCE ON THE BLAST FURNACE. DURING THIS PERIOD CSN'S
PRODUCTION HAS INCREASED MARKEDLY AND YET THE RAPID
GROWTH HAS ALSO CAUSED PROBLEMS INCLUDING THE CURRENT
PHASE III SITUATION. POST IS WELL AWARE OF THESE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 028402

PROBLEMS.

3. AS A RESULT OF PHASE III DIFFICULTIES, UEC HAS THE
IMPRESSION NIPPON STEEL IS TRYING TO CONVINCE THE
BRAZILIANS THAT THEY SHOULD BE HIRED AS OVERALL
CONSULTANT. UEC UNDERSTANDS NIPPON HAS MADE OVERTURES
TO OFFICIALS IN CSN, SIDERBRAS, AND INPI, AND THEY

BELIEVE THERE MAY BE SOME INTEREST IN THE JAPANESE

PROPOSAL. BECAUSE OF THIS UEC HAS EMPHASIZED TO CSN THAT THEY ARE THE ONLY ONES WHO CAN BRING CONTINUITY TO THEIR OPERATIONS. THEY ALSO POINT OUT THAT UEC WAS SELECTED TO RE-EXAMINE CSN'S EXPANSION BECAUSE OF THEIR WIDE-RANGING EXPERIENCE WITH THE COMPANY.

4. UEC IS VERY CONCERNED WITH THE SITUATION AS THEIR TEAM BEGINS A SECOND ROUND OF NEGOTIATIONS, FEBRUARY 10, WITH CSN'S VICE PRESIDENT FOR OPERATIONS. AS A RESULT WE WOULD APPRECIATE POST MAKING DISCREET INQUIRES TO FIND OUT CURRENT GOB FEELINGS ON RETAINING UEC AS CONSULTANT AT CSN.

VANCE

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Sent Date: 08-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE028402
Document Source: CORE
Document Unique ID: 00
Drafter: BIC/OED/MEPD/TJASPER/CF
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770045-0486
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770261/aaaaccce.tel
Line Count: 78
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 35afacc9-c288-dd11-92da-001cc4696bcc
Office: ORIGIN COME
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 30-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3376540
Secure: OPEN
Status: NATIVE
Subject: MAJOR PROJECT: UEC\S NEGOTIATIONS AT CSN
TAGS: BENC, BR
To: BRASILIA
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/35afacc9-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009